



# **EVALUATING THE DETERMINANTS OF E-COMMERCE USAGE IN SRI LANKAN HOTEL INDUSTRY**

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The Dissertation was submitted to the Department of Computer Science & Engineering of the University of Moratuwa in partial fulfilment of the requirement for the Degree of Master of Business Administration.

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2007

93362



## Abstract

Hotel industry can be considered as one of the main service oriented industries in the world. With the growth of the world tourism, many hotels are adopting internet and related technologies for the purpose of marketing, communicating and transacting. But this adoption of internet is not uniform and there are variations from region to region, country to country and also from hotel to hotel.

These variations can be due to many factors. These factors can be related to the external environment or internal environment of the hotel. These variations can be seen in Sri Lankan hotel industry as well. Sri Lanka is in the early stage of adopting internet and e-Commerce related technologies and various industries and businesses are realizing the benefits of utilizing internet and e-Commerce. Hotel industry in Sri Lanka also needs to focus on benefiting from internet and e-Commerce since foreign travellers represent a considerable percentage from the total visitors to Sri Lanka.

Purpose of this research is to analyse the impact of various factors affecting towards the usage of e-Commerce in Sri Lankan hotel industry. These factors are mainly categorized into three broader areas, namely; factors related to the External Environment, Technology and Internal to the hotel. Total of seven factors are identified. Age of the hotel, Star Rating, Perception of the Management, Size of the Hotel, Influence from Hotel Chain, ICT Adoption Level, Competition Level are the factors considered.

Total of twenty nine hotels were participated in the research and questionnaire based approach were utilized to gather information. Multiple Regression was used as the main statistical analysis technique. Research results revealed that Age of the hotel and Competition Level are negatively affecting the e-Commerce usage while other factors are affecting positively. Also the usage of software systems at different levels of hotels and a guideline to successfully adopt Internet and e-commerce in a hotel haven been presented.



Key Words: Internet, E-Commerce, Hotel Industry, Environmental Factors, Organization Factors, Technology Factors, Sri Lanka, ICT & Tourism.